

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**URGENT MOTION
TO RESCHEDULE THE CONTINUED DISCLOSURE STATEMENT HEARING**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as representative of the Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Public Buildings Authority (“PBA”), pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”)² (the Oversight Board, in its

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

capacity as representative of the Commonwealth, ERS, and PBA, is referred to as the “Debtors”), respectfully submits this urgent motion (the “Urgent Motion”), to reschedule the Disclosure Statement Hearing from Tuesday, July 27, 2021 at 9:30 a.m., Atlantic Standard Time to Thursday, July 29, 2021 at 10:30 a.m., Atlantic Standard Time.

Jurisdiction and Venue

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this matter pursuant to PROMESA § 306(a).
2. Venue is proper pursuant to PROMESA § 307(a).

Background

3. On May 13, 2021, the Debtors filed:
 - (a) the *Amended Joint Motion of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority for an Order (I) Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Approving Confirmation Hearing Notice and Confirmation Schedule, (IV) Approving Solicitation Packages and Distribution Procedures, (V) Approving Forms of Ballots, and Voting and Election Procedures, (VI) Approving Notice of Non-Voting Status, (VII) Fixing Voting, Election, and Confirmation Deadlines, and (VIII) Approving Vote Tabulation Procedures* [ECF No. 16756] (the “Disclosure Statement Motion”), requesting entry of an order (the “Disclosure Statement Order”) approving the Disclosure Statement and establishing, among other things, solicitation and voting procedures in connection with the Plan, and
 - (b) the *Motion of Debtors for an Order Establishing, Among Other Things, Procedures and Deadlines Concerning Objections to Confirmation and Discovery in Connection Therewith* [ECF No. 16757] (the “Confirmation Discovery Procedures Motion”).
4. On June 29, 2021, the Debtors filed:
 - (a) the *Fourth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [Case No. 17-3283, ECF No. 17194], and
 - (b) the *Disclosure Statement for the Fourth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [Case No. 17-3283, ECF No. 17192].

5. On July 12, 2021, the Debtors filed:

- (a) the *Fifth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [Case No. 17-3283, ECF No. 17306] (the “Plan”), and
- (b) the *Disclosure Statement for the Fifth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [Case No. 17-3283, ECF No. 17308] (the “Disclosure Statement”).

6. On July 13 and 14, 2021, the Court held a hearing (the “Disclosure Statement Hearing”) to consider the relief requested in the Disclosure Statement Motion and the Confirmation Discovery Procedures Motion. At the July 14, 2021 Disclosure Statement Hearing, the Oversight Board announced that it had reach an understanding, subject to definitive documentation and the filing of an amended Plan, with Ambac Assurance Corporation (“Ambac”) and Financial Guaranty Insurance Company (“FGIC”) regarding the treatment of certain claims. Accordingly, the Court continued the Disclosure Statement Hearing to Tuesday, July 27, 2021 at 9:30 a.m., Atlantic Standard Time.

7. On July 16, 2021, the Court entered the *Order Regarding Rulings Made on the Record at the July 13-14, 2021, Hearing Concerning the Proposed Disclosure Statement and Plan of Adjustment* [Case No. 17-3283, ECF No. 17387] (the “Disclosure Statement Hearing Order”) to the same effect. The Disclosure Statement Hearing Order directed the Oversight Board to file an amended Disclosure Statement and redline showing changes from the prior version of the Disclosure Statement by Sunday, July 25, 2021 at 9:00 a.m., Atlantic Standard Time and required parties to file objections, if any, to the Disclosure Statement revisions made in response to the Disclosure Statement Hearing Order by Monday, July 26, 2021 at 9:00 a.m., Atlantic Standard Time.

8. On July 21, 2021, the Court entered *Order Regarding Procedures for Continued Disclosure Statement Hearing* [Case No. 17-3283, ECF No. 17446] (the “Procedures Order”). The

Procedures Order directed Debtors' counsel to file an agenda outlining matters to be addressed at the Disclosure Statement Hearing by Friday, July 23, 2021 and to file a revised agenda on Monday, July 26, 2021, if circumstances changed or if requested to do so by the Court.

Relief Requested

9. Since the Oversight Board's July 14, 2021 announcement, the Oversight Board has been in constant communication with Ambac and FGIC, among other parties, to finalize definitive documentation and an amended Plan memorializing the understanding reached with Ambac and FGIC. The Oversight Board has also been in contact with various parties in an effort to resolve comments to the Disclosure Statement, objections to the Plan, and the confirmability thereof. The Oversight Board respectfully requests that the Disclosure Statement Hearing be rescheduled for Thursday, July 29, 2021 at 10:30 a.m., Atlantic Standard Time to allow the parties to finalize the terms of an amended Plan.

10. Additionally, the Oversight Board respectfully requests that the deadline for the Oversight Board to file an amended Disclosure Statement and redline showing changes from the prior version of the Disclosure Statement be extended to Tuesday, July 27, 2021 at 9:00 a.m., Atlantic Standard Time and that the deadline for parties to file objections, if any, to the Disclosure Statement revisions be extended to Wednesday, July 28, 2021 at 12:00 p.m., Atlantic Standard Time.

11. The Oversight Board also respectfully requests that the deadline for Debtors' counsel to file an agenda for the rescheduled Disclosure Statement Hearing be extended to Monday, July 26, 2021 and the deadline for Debtors' counsel to file a revised agenda be extended to Wednesday, July 28, 2021.

12. The Oversight Board hereby certifies that there is a true need for urgent relief and that such urgency was not created through any lack of due diligence.

13. No prior request for the relief sought in this Urgent Motion has been made to this or any other court.

WHEREFORE the Oversight Board respectfully requests the Court to enter the Proposed Order attached hereto as **Exhibit A**, granting the Debtor the relief requested herein and all other relief as is just and proper.

Dated: July 23, 2021
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock
Martin J. Bienenstock (*pro hac vice*)
Brian S. Rosen (*pro hac vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

*Attorneys for the Financial Oversight and
Management Board as representative for the
Debtors*

/s/ Hermann D. Bauer

Hermann D. Bauer
USDC No. 215205
O'NEILL & BORGES LLC
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

*Co-Attorneys for the Financial Oversight and
Management Board as representative for the
Debtors*

Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.³

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**ORDER APPROVING URGENT MOTION
TO RESCHEDULE THE CONTINUED DISCLOSURE STATEMENT HEARING**

Upon the *Urgent Motion to Reschedule the Continued Disclosure Statement Hearing* (the “Urgent Motion”);⁴ and the Court having found it has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA; and it appearing that venue in this district is proper pursuant to section 307(a) of PROMESA; and the Court having found that the Oversight Board provided adequate and appropriate notice of the Urgent Motion under the circumstances and that no other or further notice is required; and upon the record herein, after due deliberation thereon,

³ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

⁴ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Urgent Motion.

the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein,

IT IS HEREBY ORDERED THAT:

1. The Urgent Motion is GRANTED as set forth herein.
2. The Disclosure Statement Hearing is rescheduled to Thursday, July 29, 2021 at 10:30 a.m., Atlantic Standard Time.
3. The Oversight Board shall file an amended Disclosure Statement and redline showing changes from the prior version of the Disclosure Statement by Tuesday, July 27, 2021 at 9:00 a.m., Atlantic Standard Time.
4. The deadline for parties to file objections, if any, to the Disclosure Statement revisions made in response to this order is Wednesday, July 28, 2021 at 12:00 p.m., Atlantic Standard Time.
5. Debtors' counsel will file an agenda outlining the matters to be addressed and the projected timetable for the rescheduled Disclosure Statement Hearing by Monday, July 26, 2021, in accordance with the *Fifteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 17127-1].
6. Debtors' counsel will file a revised agenda on Wednesday, July 28, 2021, if circumstances have changed or if requested to do so by the Court.
7. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: July ____, 2021

HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT COURT JUDGE